

BOBBY JINDAL  
GOVERNOR



PAUL W. RAINWATER  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of State Uniform Payroll**

December 20, 2010

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2011-26

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard  
Director

SUBJECT: Elimination of Advance Earned Income Credit after 2010

President Obama signed into law the Education Jobs and Medicaid Assistance Act of 2010 (H.R. 1586) on August 10, 2010. The Act repeals IRC §3507, which allows low and moderate income employees to receive advance payments of the earned income tax credit (EIC) through their paycheck. Effective January 1, 2011, employees will no longer be able to receive the earned income credit in advance. Employees who are eligible for the EIC will still be able to claim the full amount of the credit on their personal income tax return.

Agencies should run report ZP65, Employee Tax Report, selecting the reporting criteria "Claiming EIC" to determine the affected employees in their agency. All employees with an EIC indicator on IT0210 for calendar year 2010 should have a delimit date of 12/31/2010. Agencies should not accept a Form W-5 (Earned Income Credit Advance Payment Certificate) after December 31, 2010. In addition, agencies should not set up any EIC records with an effective of 1/1/2011 or later.

**Note: Agencies should remind ALL employees to review their current filing status.** Individual circumstances may have changed and employees may want to file an updated Form W-4 with your agency in order to accommodate a change in their need for withholdings. Year 2011 Form W-4 can be obtained from the Internal Revenue Service's website or from the local Internal Revenue Service office.

Any questions should be directed to a member of the OSUP Wage and Tax Administration Unit at [\\_DOA-OSUP-WTA@la.gov](mailto:_DOA-OSUP-WTA@la.gov) or (225):

Wendy Eggert	342-0714	Penny Jones	342-2053
Tiko Ary	342-1651	Cindy McClure	342-5346
Gary Bennett	342-1652	Tracy Smith	219-0191